

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

April 7, 1998

LB 1028, 1104

to reduce sales taxes for two years. We had part of this discussion on LB 1028, and that is, how much risk do you really want to take with the state's fiscal status? And I think you've got at this time a handout that looks in part like what Senator Maurstad has handed out, but on the back of it, it shows you what happens if we have very small variations against either current projected expenditures, or current expected revenues. And if you take some time to examine that, you'll see that we could have rather substantial difficulties, if we have even a one-quarter variance. In other words, we could be \$114 million down from the minimum reserve, all the cash reserve used up, and \$114 million below on the minimum reserve in four years. I don't know if it's clear from the sheets that Senator Maurstad hands out to you that in three years we would be expected to be \$79 million below, almost \$80 million below the minimum reserve three years from now, if his amendment is adopted. That is even if we meet the projections that are in our current statutes. Do we want to do that? Now, earlier some of you had an opportunity to see what the analysis looks like, if we had a permanent sales tax reduction. And I think, quite frankly, Senator Maurstad's amendment ought to be discussed in that context, because a two-year sales tax reduction has a very, very good chance of becoming a permanent sales tax reduction. Please look at your district number, and remember, if you're in an odd-numbered district that this issue is going to be before you in two years, and what kind of a position will you be in? Will you be in a position of denying to your constituents property tax relief because you're going to be cutting the state budget, over 60 percent of our budget is direct relief to individuals, or to local governmental subdivisions so that they can provide relief? Are you going to be cutting the University of Nebraska's budget, because that's the largest piece of our budget that is really discretionary. Are you going to be cutting the university budget so that you can possibly deny someone a higher educational opportunity in this state? I've also passed out a handout that doesn't exactly fit what Senator Maurstad has now handed out to you, but it shows...

PRESIDENT ROBAK: One minute.

SENATOR WICKERSHAM: ...what...a little bit of what can happen. These are not easy decisions. I understand the desire to reduce